GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2854
ANSWERED ON:02.12.2016
Lack of Clarity on GST
Rao (Avnthi) Shri Muthamsetti Srinivasa

Will the Minister of FINANCE be pleased to state:

(a) whether certain auto industry stakeholders have expressed concern over lack of clarity on GST and the time for its implementation, if so, the details thereof;

(b) whether the auto industry felt that tax differentiation in auto industry is huge when compared to other major markets, if so, the details thereof;

(c) whether this action is limiting the company to offer limited model line up to customers on bringing globally successful models to India due to competitive pricing pressure; and

(d) if so, the details thereof and the steps taken to redress auto major grievances?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a): Government has received representations from various auto industry stakeholders suggesting issues that need to be addressed before the implementation of the Goods and Service Tax.

(b): Excise duty structure for passenger vehicle (cars) is as under,-
Segment Excise
Small Cars of length not exceeding 4m:
a) Petrol, Liquefied petroleum gases (LPG) or compressed natural gas (CNG) driven vehicles of engine capacity not exceeding 1200cc, and
b) Diesel driven vehicles of engine capacity not exceeding 1500 cc.
12.5%

12.5%
Mid Segment Cars:
Motor vehicles of engine capacity not exceeding 1500 cc
24%
Large Cars:
Motor vehicles of engine capacity exceeding 1500 cc other than SUVs.
27%
Sports Utility Vehicles and other Utility Vehicles 30%

(c) and (d): As per the representation of the industry, during 2015-16 and 2016-17 (upto August, 2016), the sales in the passenger car segment has seen growth of 7.24% and 10.74%, respectively.
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